

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: YURI KOSLEN, TRANSIT PLANNER
TRANSPORTATION AND PUBLIC WORKS DEPARTMENT
SUBJECT: CONTRACT EXTENSION WITH MV TRANSPORTATION FOR
ADA PARATRANSIT SERVICES AND OAKMONT DEVIATED
FIXED-ROUTE SERVICE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution, approve and authorize the Director of Public Works to execute a Third Amendment to Professional Services Agreement Number F000983 with MV Transportation, Inc. of Fairfield, California, subject to approval by the City Attorney, to extend the term for six months, increase compensation, allow for use of federal CARES Act funding and the provision of certain additional, related services by MV Transportation with City authorization.

EXECUTIVE SUMMARY

The coronavirus (COVID-19) pandemic has greatly reduced service levels for paratransit and hindered the Transit Division's efforts to conduct a new competitive bid process for paratransit services for the contract year beginning July 1, 2020. Staff seeks Council approval and authority for the Director of Public Works to execute a Third Amendment with MV Transportation, subject to approval as to form by the City Attorney that would: 1) extend the contract for delivery of ADA paratransit services and a deviated fixed-route service in Oakmont for 6-months through December 31, 2020; 2) increase compensation payable to the contractor under the Agreement by \$339,801 to an amount not to exceed \$6,945,952; 3) allow for the use of potential CARES Act funding by the City for operational expenses and for MV Transportation to maintain workforce quality and readiness retroactive to February 1, 2020; and (4) due to the COVID-19 emergency, allow for certain additional, related services (e.g. meal delivery and dial-a-ride for the general public). The additional six month term will enable continuity of operations of paratransit and related services during the ongoing COVID-19 emergency response, as well as provide additional time for a competitive bid process for a new contract to be completed. MV Transportation's performance has been satisfactory under the Agreement.

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BACKGROUND

In 2015, the City Council awarded a three-year contract and subsequently in 2018 exercised a two-year extension options to MV Transportation, Inc., (MV Transportation) for delivery of citywide ADA paratransit services and a deviated fixed-route service in Oakmont, in an amount not to exceed \$6,606,151. The Transit Division (Transit) within the Transportation and Public Works (TPW) Department contracts for both paratransit services and a deviated fixed route service that serves the Oakmont community. Paratransit service is required by the Americans with Disabilities Act (ADA) to complement the City's fixed route transit system. The City's paratransit service provides curb-to-curb transportation for individuals living with a disability who meet eligibility requirements. The Route 16 - Oakmont Circulator operates with a shared cost agreement approved by City Council and the Oakmont Village Association. The service operates Monday through Friday and deviates up to 3/4 of a mile from its standard route to provide service upon request within the Oakmont community as well a daily trip to nearby grocery stores and pharmacies.

An RFP for ADA paratransit service and deviated fixed route service in Oakmont was released by the City on February 17, 2015. The RFP was competitively bid, resulting in two proposals. These proposals were evaluated by a panel consisting of one Council Member, the Deputy Director of Transit, the Acting ADA Transit Planner, a representative from the Solano Transit Authority, and a program manager from Marin Transit. The financial portion of the proposals was evaluated by a Sonoma County Administrative Services Officer, Transit's Administrative Services Officer, and a City of Santa Rosa Accountant. The areas of evaluation included: demonstrated ability to perform the service; history of providing similar services; demonstrated understanding of the Scope of Work with clear operations plan, staffing and training plan; ability to abide by California Labor Code sections 1072-1074, which protect the rights of incumbent transit workers if a new contractor is engaged; and the cost proposal. Council awarded the contract MV Transportation, Inc. as they offered the best value to the City.

In Spring 2018 MV Transportation requested an increase in pricing for FY 19 and FY 20 in order to provide an increase in wages and benefits for paratransit operators, dispatchers, and mechanics assigned to the Santa Rosa contract due to ongoing employee recruitment and retention challenges. In June 2018 Council approved a 90-day extension to the contract to enable Transit staff to conduct more research into the need for a cost increase and negotiate with MV Transportation regarding the cost increase proposal.

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Transit negotiated with MV Transportation and brought a resolution to council for approval on September 25, 2018 that recommendation an agreement containing the following provisions:

- An increase in the variable rate for the contract to provide a starting wage of \$18.50 per hour in order to help address current employee recruitment and retention challenges.
- An increase in the variable rate for the contract to increase MV Transportation's share of employees' healthcare premiums from 40% to 75%.

There were no changes to management salaries or benefits in the proposed contract amendment. The only cost increases that were being proposed went directly to wages and benefits for dispatch, operator and maintenance personnel.

Council approved the Second Amendment to the Professional Services Agreement with MV Transportation on September 25, 2018.

Throughout the life of the existing contract, MV Transportation has successfully operated the CityBus paratransit service meeting the productivity, efficiency, and on-time performance targets established for the service. MV has consistently met the challenges of maintaining and augmenting service during the wildfire emergencies of 2017 and 2019 and throughout the current coronavirus emergency.

On March 1, 2020 the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. This law can provide funding available to the City for all operating expenses (net of fare revenue) that occur on or after January 20, 2020 including the cost of administrative leave for transit workers whether employed by the City or Contractor.

Due to the new social distancing and Shelter in Place orders, in late March 2020 each paratransit trip started carrying only 1-2 passengers and consistent with CityBus fixed-route service, fares were suspended as a strategy to maintain social distancing for drivers and passengers. MV paratransit ridership dropped from about 140 riders per weekday to about 30 riders per weekday, a 80% reduction in demand. This reduction in demand forced about half of the paratransit drivers to be placed on temporary furlough status. The remainder of the staff have continued to answer phones, maintain the fleet and increase the cleaning of the vehicles and facility. Drivers clean touch spots on every trip and the vehicles are deep cleaned every evening. All drivers are wearing masks.

On April 13, 2020, with the further reduction in fixed route service from Saturday service to Sunday level service, the City requested that MV begin to operate a "call-ahead"

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service to augment the limited fixed-route service. With the reduction in demand for paratransit service, MV was able to provide curb-to-curb trips for non-ADA eligible residents whose essential trips occur outside the hours and service area that the Sunday fixed route provided. MV provided 267 trips for these non-ADA passengers in April, averaging 18 trips per day. This service has continued into May 2020 and the Transit Division expects that this safety net for non-ADA trips will continue to be useful for the City of Santa Rosa transit-riding public.

The Transit Division has found MV Transportation's staff to be responsive in delivering quality services, and members of the City's Paratransit Users Group regularly commend MV Transportation staff for the quality of service that is provided.

PRIOR CITY COUNCIL REVIEW

On June 2, 2015, City Council passed a resolution awarding a three-year contract with two one-year options to extend to MV Transportation Inc. of Fairfield, California.

On July 26, 2016, City Council passed a resolution approving a three-year agreement with the Oakmont Village Association to share equally in the annual cost of operating the deviated fixed route service to the Oakmont Community.

On June 26, 2018, City Council passed a resolution to extend the contract with MV Transportation for 90 days to allow staff additional time to conduct market research and negotiate a full year extension of the contract with MV Transportation and increased the total contract obligation by \$160,000 to a total of \$3,888,100.

On September 25, 2018, City Council passed a resolution approving the Second Amendment to Professional Services Agreement with MV Transportation, Inc. to extend the contract for two years thus increased the total contract obligation by \$2,718,051 to a total of \$6,606,151.

ANALYSIS

Transit staff had planned to release an RFP for a three-year paratransit contract in March 2020. With the onset of the coronavirus emergency and the Shelter in Place orders this bid process was halted as staff could not effectively administer the RFP process and ensure fair competition. At the same time, the City must maintain paratransit service and readiness in the face of declining ridership. Given the extraordinary circumstances, staff requested a quote from MV Transportation to extend the current contract for six-months.

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The revised cost proposal for the six-month period includes a reduction of revenue hours to better match the trend downward over the last five years. Year Five total contract costs were based on 21,500 revenue hours, but at this point, especially with the pandemic, we expect Year Five to close with under 17,000 hours. Over the last five years the average revenue hours operated have been about 17,500 per year. Over the last two years, with the lower than estimated revenue hours, the contract expenses have been approximately \$400,000 less than the obligation of the contract.

For this six-month extension MV Transportation has recalibrated its cost based on the expected reduction in revenue hours. Assuming paratransit revenue hours over the next six months remained flat, the City can expect the actual cost of the contract to increase about 6% equating to about \$40,000 over the six-month period based on the Contractor's estimate of 18,600 revenue hours per year (9,300 for the six-month period). This proposal includes wage increases for paratransit operators while in training, 3% wage increases for dispatchers, and 6% increases for mechanics, while maintaining MV Transportation's share of employee healthcare premiums at 75%.

In addition to extending the term of the agreement by six months through December 31, 2020 and increasing compensation by \$339,801 to an amount not to exceed \$6,945,952, the third amendment allows for the use of potential CARES Act funding by the City for operational expenses and for MV Transportation to maintain workforce quality and readiness and allows for MV Transportation to provide certain additional, related services (e.g. meal delivery and dial-a-ride for the general public). Funding under the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act can be used to sustain MV Transportation's readiness for service restoration. This funding can be used for all operating expenses (net of fare revenue) that occur on or after February 1, 2020 including the cost of administrative leave for paratransit workers in the event that service levels result in lower staffing needs. It is the intent of this third amendment to compensate MV Transportation to maintain a highly trained and skilled workforce during and beyond the current pandemic. As such, MV Transportation, at the direction of the City, on a month-to-month basis, shall retain employees under the administrative leave provisions of the CARES Act and this Amendment in order to maintain its workforce to the best of its abilities, effective February 1, 2020 through December 31, 2020 unless the City deems it is no longer required before this date. Additionally, this amendment would formalize that the MV Transportation may be reimbursed for personal protective equipment and cleaning supplies required to deliver services in keeping with federal, state, and local safety guidelines consistent with CityBus practices. To date, the City has been awarded \$2,493,979 funding from the FTA, through the CARES Act Tranche 1 process and anticipate using \$400,000 toward the costs associated with the paratransit and Oakmont operations under this contract for activity from February 1 through June 30, 2020. Tranche 2 CARES Act funding hasn't been awarded to date.

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Finally, to enable the City to continue to respond to the challenges of the coronavirus emergency, this Amendment allows for the City to modify the scope of work during the coronavirus public health emergency and recovery to authorize MV Transportation to provide additional, related services, including operation of “dial-a-ride” and deviated fixed routes services and other essential services such as meal delivery.

FISCAL IMPACT

This action has no impact on the General Fund. Funding for the ADA paratransit services and the Oakmont deviated-fixed route service is provided by State Transportation Development Act Article IV funds and Federal Transit Administration (FTA) 5307 funds and is included in the FY 2020-21 Transit Division budget. Pricing in Exhibit C-2 of this contract amendment (Attachment 1) is anticipated to increase expenditures by approximately \$40,000 over the six-month period, but reduced demand due to the pandemic is likely to continue into the new contract year which would reduce the overall cost. This pricing represents less than a 6% increase over last year’s costs actual expenditures. Over the last two years, contract expenses have been approximately \$400,000 less than the obligation of the contract. With these savings, the proposed contract extension will increase the contract amount by \$339,801 to a total contract obligation over six years of \$6,945,952. The six-month extension can be accommodated within the existing Transit Division budget for FY 20-21. To date, the City has been awarded \$2,493,979 funding from the FTA, through the CARES Act Tranche 1 process and anticipate using \$400,000 toward the costs associated with the paratransit and Oakmont operations under this contract for activity from February 1 through June 30, 2020. Tranche 2 CARES Act funding hasn’t been awarded to date.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change on the environment, or a reasonably foreseeable indirect physical change on the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

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ATTACHMENTS

- Attachment 1 – MV Cost Proposal – Exhibit C-2 to Third Amendment
- Resolution/Exhibit A - Third Amendment to Professional Services Agreement

CONTACT

Yuri Koslen, Transit Planner
ykoslen@srcity.org, 707-543-3335, 707-543-3335